

1997-98 SESSION  
COMMITTEE HEARING  
RECORDS

Committee Name:

Joint Committee on  
Finance (JC-Fi)

Sample:

Record of Comm. Proceedings ... RCP

- 05hrAC-EdR\_RCP\_pt01a
- 05hrAC-EdR\_RCP\_pt01b
- 05hrAC-EdR\_RCP\_pt02

➤ Appointments ... Appt

➤ \*\*

➤ Clearinghouse Rules ... CRule

➤ \*\*

➤ Committee Hearings ... CH

➤ \*\*

➤ Committee Reports ... CR

➤ \*\*

➤ Executive Sessions ... ES

➤ \*\*

➤ Hearing Records ... HR

➤ \*\*

➤ Miscellaneous ... Misc

➤ 97hrJC-Fi\_Misc\_pt130c\_LFB

➤ Record of Comm. Proceedings ... RCP

➤ \*\*

To: Joint Committee on Finance

From: Bob Lang, Director  
Legislative Fiscal Bureau

## ISSUE

### **Employment Skills Advancement Grants (Workforce Development -- Economic Support and Child Care)**

[LFB Summary: Page 675, #1]

## CURRENT LAW

The Department of Workforce Development is authorized to contract with any person to administer an employment skills advancement grant program. Under 1995 Act 289, the Department must provide funding for this program in the biennial budget bill as though the amount of that appropriation in fiscal year 1996-97 had been \$1,000,000.

The Department must contract with one person to administer the program in each area of the state, as determined by the Department. Under the employment skills advancement program, eligible individuals would be provided with a grant of up to \$500 for tuition, books, transportation or other direct costs of training or education in a vocational education program, with required matching contributions from the individual and from another source.

A person is eligible to receive a grant under this program if the training or education is approved as part of a career training or education plan that will lead to increased income. An eligible person must be at least 18 years of age, a custodial parent of a minor child and have been determined eligible for aid to families with dependent children (AFDC) or a W-2 employment position within five years before applying for a grant. In addition, the individual's family income must be less than 165% of the poverty line.

To receive an employment skills advancement grant, an individual must have been employed in an unsubsidized job for at least nine consecutive months before applying for a grant or be working an average of at least 40 hours per week (or less if acceptable to all parties).

Under current law, the employment skills advancement grant program may not begin until six months after the start date of the W-2 program. Therefore, the program would not begin until March 1, 1998.

## GOVERNOR

Provide \$833,300 in 1997-98 and \$1,000,000 in 1998-99 for the employment skills advancement program.

## DISCUSSION POINTS

1. As noted above, at the time the W-2 program was developed, it was estimated that the employment skills advancement program would cost approximately \$1,000,000 per year. The amount in the budget bill for 1997-98 is for the ten months beginning September 1, 1997. However, under current statutes, the employment skills advancement program is scheduled to begin six months after the W-2 program commences. Therefore, funding for this program for 1997-98 is needed for only four months of the fiscal year rather than ten months. The base funding established in Paper #971 includes funding for four months in 1997-98.

2. When the employment skills advancement program was developed, the scheduled starting date was determined to be later than the W-2 starting date in order to give recipients time to develop a work history. With the implementation of the pay-for-performance and self sufficiency first programs, some recipients have had the opportunity to develop that history and may be qualified for these grants earlier than the March 1, 1998, start date.

## ALTERNATIVES TO BASE

1. Approve the funding amounts recommended by the Governor for the employment skills advancement program and specify that the program would begin on the statewide starting date for W-2. Total funding under this option would be \$833,300 in 1997-98 and \$1,000,000 in 1998-99, an increase of \$500,000 in 1997-98 compared to the base funding amounts in Paper #971.

<u>Alternative 1</u>	<u>ALL FUNDS</u>
1997-99 FUNDING (Change to Base)	\$500,000
[Change to Bill]	\$0]

2. Maintain current law. Under this option, the employment skills advancement program would not begin until March 1, 1998. Base funding for the program is included in Paper #971.

<u>Alternative 2</u>	<u>ALL FUNDS</u>
1997-99 FUNDING (Change to Base)	\$0
[Change to Bill]	- \$500,000]

Prepared by: Joanne Simpson

MO# AH #1

JENSEN	<input checked="" type="checkbox"/>	N	A
OURADA	<input checked="" type="checkbox"/>	N	A
HARSDORF	<input checked="" type="checkbox"/>	N	A
ALBERS	<input checked="" type="checkbox"/>	N	A
GARD	<input checked="" type="checkbox"/>	N	A
KAUFERT	<input checked="" type="checkbox"/>	N	A
LINTON	<input checked="" type="checkbox"/>	N	A
COGGS	<input checked="" type="checkbox"/>	N	A
BURKE	<input checked="" type="checkbox"/>	N	A
DECKER	<input checked="" type="checkbox"/>	N	A
GEORGE	<input checked="" type="checkbox"/>	N	A
JAUCH	<input checked="" type="checkbox"/>	N	A
WINEKE	<input checked="" type="checkbox"/>	N	A
SHIBILSKI	<input checked="" type="checkbox"/>	N	A
COWLES	<input checked="" type="checkbox"/>	N	A
PANZER	<input checked="" type="checkbox"/>	N	A

AYE 16 NO 0 ABS

WORKFORCE DEVELOPMENT -- ECONOMIC SUPPORT AND CHILD CARE

Low Income Workers Grants

Motion:

Move to repeal the employment skills advancement program and instead, provide a low-income worker grants program to be administered by the Higher Educational Aids Board. Provide that individuals would be eligible for this grant if the individual: (a) has gross family income at or below 200% of the poverty line; (b) has been employed for at least six consecutive months for at least 30 hours per week and is employed at the time of application for at least 30 hours per week, or has been participating satisfactorily for six consecutive months in a trial job or community service job (CSJ) under the Wisconsin Works (W-2) program and is meeting the requirements for participation in those placements; and (d) is a resident student who is enrolled in an institution of higher education and taking a course that is expected to increase employment opportunities if the course may be taken for credit leading to an associate or bachelor's degree. The employer would be required to: (a) submit a letter of recommendation on behalf of the individual; (b) state the intention to employ the individual after the program is complete; and (c) make a matching contribution. Provide that this program would begin on the start date for the W-2 program.

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Note:

Under current law, the employment skills advancement program would provide grants to participants in W-2 employment positions, or individuals who have been in unsubsidized employment for 9 consecutive months and who are working an average of at least 40 hours per week. An individual may be eligible for an a grant if the assets of the individuals family do not exceed the asset limitations for W-2 employment positions and the family's income does not exceed 165% of the federal poverty level. The maximum grant that could be provided would be \$500. Under this program, the individual will be required to contribute an amount at least equal to the amount of the grant, and obtain matching funds from another source. In addition, community steering committees established by W-2 agencies will be required to seek sources of private funding to match employment skills advancement grants. The employment skills advancement grant is currently scheduled to begin six months after the start date of W-2.

This motion would repeal the employment skills advancement grant program and replace it with the low-income workers grant which expands eligibility to individuals and requires the

employer rather than the individual to provide a match for the grant. In addition, the grant would be available beginning on the date of implementation of the W-2 program (September 1, 1997).

Under this motion, total funding would be \$833,300 (\$291,700 GPR, \$541,600 FED) in 1997-98 and \$1,000,000 (\$350,000 GPR, \$650,000 FED). Funding would be redirected from the employment skills advancement program to the low-income workers grant. The funding amounts are the same amounts provided in SB 77, but are higher than the base funding estimated in Paper #971.

[Change to Base: \$500,000 FED]

[Change to Bill: \$0]

MO# 6004

JENSEN	Y	<del>N</del>	A
OURADA	Y	<del>N</del>	A
HARSDORF	Y	<del>N</del>	A
ALBERS	Y	<del>N</del>	A
GARD	Y	<del>N</del>	A
KAUFERT	Y	<del>N</del>	A
LINTON	<del>Y</del>	N	A
COGGS	<del>Y</del>	N	A
BURKE	<del>Y</del>	N	A
DECKER	<del>Y</del>	N	A
GEORGE	Y	<del>N</del>	A
JAUCH	<del>Y</del>	N	A
WINEKE	<del>Y</del>	N	A
SHIBILSKI	<del>Y</del>	N	A
COWLES	Y	<del>N</del>	A
PANZER	Y	<del>N</del>	A

AYE 7 NO 9 ABS

<p>To: Joint Committee on Finance</p> <p>From: Bob Lang, Director Legislative Fiscal Bureau</p>
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**ISSUE****Employment Transportation Under W-2 (Workforce Development -- Economic Support and Child Care)**

[LFB Summary: Page 675, #1]

**CURRENT LAW**

Under 1995 Act 289, a Wisconsin Works (W-2) agency may provide transportation assistance as prescribed by the Department of Workforce Development (DWD). The W-2 agency must limit the provision of financial assistance to public transportation if public transportation that meets the needs of the participant is available.

Under Act 289, the Department, with the assistance of local governments must identify significant local and regional employment opportunities, and the residential locations of current and potential W-2 participants. Further, the Department must submit a report to the Joint Committee on Finance that recommends options that W-2 agencies could take to facilitate the transportation of W-2 participants to the employment opportunities identified. The Department of Transportation (DOT) is required to assist DWD in developing options to be included in the report.

Current law authorizes the Department to conduct the Job Ride program, an employment transit assistance project which provides transportation to individuals in Milwaukee County who seek employment in outlying suburban and sparsely populated and developed areas. Current funding for the Job Ride program is \$579,100 SEG.

## **GOVERNOR**

Provide \$1,000,000 in 1997-98 and \$2,000,000 in 1998-99 in TANF funds to expand the Job Ride program in Milwaukee County and to provide transportation assistance to other parts of the state.

## **DISCUSSION POINTS**

1. Several W-2 agencies have expressed concern about the transportation needs of W-2 participants and have identified transportation as a significant barrier to moving individuals into jobs.

2. The Department has established a committee of representatives from DWD, DOT, Job Centers throughout the state, transit management associations, and Pierce and Fond du Lac counties. The purpose of the committee is to provide recommendations on the use of the employment transportation funding proposed by the Governor. Final recommendations are expected in August, 1997.

Preliminary discussions indicate that the Department would use a portion of the funding to expand the existing Job Ride program in Milwaukee. In its current form, the Job Ride program provides transportation only for individuals who have permanent, full-time employment. Therefore, Job Ride would not be available for individuals in community service jobs or transitional placements.

The committee would like to maintain a portion of the funding for rural geographic areas and other areas of the state where transportation may be available within communities but not across communities. The Department has indicated that funding would be used to build on existing systems where possible.

3. The Department has indicated that the transportation study required under Act 289 should be complete in June, 1997. The purpose of this study is to provide a detailed analysis of residential locations of W-2 participants, transportation barriers for W-2 participants and potential commuting patterns of those participants. The report will recommend transportation assistance options and policy changes.

4. The funding for employment transportation could be approved but placed in the Committee's appropriation to be released after the Committee has had an opportunity to have review the study and the Department submits a plan for expending the funds.

5. Several other source of transportation assistance would be available until such time as the Committee may release the funds. This office conducted an informal survey of nine W-2 agencies with regard to start-up funding. Although start-up funding will be utilized for various



purposes by each agency, some have indicated that these funds would be used to develop transportation options for recipients. In addition, the request for proposals (RFP) for W-2 agencies indicates that agencies would be required to work with the Community Steering Committee and Children's Services Network to provide options for transportation. Approximately 50% of the funding provided for W-2 agency office costs is for ancillary services, which includes transportation assistance.

## ALTERNATIVES TO BASE

1. Approve the Governor's recommendation to provide \$1,000,000 in 1997-98 and \$2,000,000 in 1998-99 for employment transportation.

<u>Alternative 1</u>	<u>ALL FUNDS</u>
1997-99 FUNDING (Change to Base)	\$3,000,000
[Change to Bill]	\$0]

2. Modify the Governor's recommendation to place \$1,000,000 in 1997-98 and \$2,000,000 in 1998-99 for employment transportation in the Committee's appropriation.

<u>Alternative 2</u>	<u>ALL FUNDS</u>
1997-99 FUNDING (Change to Base)	\$3,000,000
[Change to Bill]	\$0]

3. Maintain current law. Under this option no additional funds would be provided for employment transportation.

<u>Alternative 3</u>	<u>ALL FUNDS</u>
1997-99 FUNDING (Change to Base)	\$0
[Change to Bill]	- \$3,000,000]

MO#

AH #2

JENSEN	Y	N	A
OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A

Prepared by: Joanne Simpson

BURKE	Y	N	A
DECKER	Y	N	A
GEORGE	Y	N	A
JAUCH	Y	N	A
WINEKE	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A

AYE 16 NO 0 ABS

To: Joint Committee on Finance  
From: Bob Lang, Director  
Legislative Fiscal Bureau

## ISSUE

### **Evaluation of the W-2 Program (Workforce Development -- Economic Support and Child Care)**

[LFB Summary: Page 675, #1]

## CURRENT LAW

Under current law, the Department is required to contract with the Legislative Audit Bureau (LAB) to conduct a financial and performance audit of the Wisconsin Works (W-2) program. The audit must evaluate the effect of the W-2 employment component on the unsubsidized wages of former W-2 employment position participants, trial job participants and individuals that move from community service jobs and transitional placements to trial jobs. In addition, the audit must include the effect of W-2 on the provision of child care services. The LAB is required to file the audit no later than July 1, 2000.

Base level funding for state administration in Paper #971 includes \$500,000 in each year for evaluations. This amount is based on current expenditures.

## GOVERNOR

Provide \$1,000,000 in 1997-98 in 1998-99 above the base level for evaluations.

## DISCUSSION POINTS

1. The W-2 program represents a significant departure from the current AFDC program. The scope of the evaluation would be much larger than any previous evaluation undertaken for various welfare reform initiatives. During most evaluation processes, feedback

is not often provided at regular intervals. Because of the scope and importance of the evaluation, the Department intends to work with the LAB to have continuous feedback throughout the entire process. This could add to the costs of the evaluation, but also make the evaluation a more useful tool.

2. Wisconsin has been seen as a lead state in welfare reform. Universities and other organizations will likely be interested in studying the effects of welfare reform in this state. In addition, the Department indicates that it may be able to obtain outside funding for the evaluation. Both of these factors could influence the cost to the state of the Audit Bureau's evaluation.

3. One option would be to place the funding in the Committee's appropriation and direct the Department to request the funding under a 14-day passive review process. This option would provide the Department time to work with the LAB to establish the evaluation plan, and to determine if outside funding would be available.

#### ALTERNATIVES TO BASE

1. Approve the Governor's recommendation to provide an additional \$1.0 million in 1997-98 and 1998-99 for evaluations.

<u>Alternative 1</u>	<u>ALL FUNDS</u>
1997-99 FUNDING (Change to Base)	\$2,000,000
[Change to Bill]	\$0]

2. Provide an additional \$1,000,000 in each year for an evaluation of the W-2 program, but place the funding in the Joint Finance Committee's program supplements appropriation.

<u>Alternative 2</u>	<u>ALL FUNDS</u>
1997-99 FUNDING (Change to Base)	\$2,000,000
[Change to Bill]	\$0]

3. Maintain current law. Under this option \$500,000 in each year would be provided for evaluations.

<u>Alternative 3</u>	<u>ALL FUNDS</u>
1997-99 FUNDING (Change to Base)	\$0
[Change to Bill]	- \$2,000,000]

Prepared by: Joanne Simpson

PAPER  
#978

MO# Alt #2

JENSEN	Y	<del>N</del>	A
OURADA	Y	<del>N</del>	A
HARSDORF	Y	<del>N</del>	A
ALBERS	Y	<del>N</del>	A
GARD	Y	<del>N</del>	A
KAUFERT	Y	<del>N</del>	A
LINTON	<del>Y</del>	N	A
COGGS	<del>Y</del>	N	A

<del>Z</del> BURKE	<del>Y</del>	N	A
DECKER	<del>Y</del>	N	A
GEORGE	Y	<del>N</del>	A
JAUCH	<del>Y</del>	N	A
WINEKE	<del>Y</del>	N	A
SHIBILSKI	<del>Y</del>	N	A
COWLES	Y	<del>N</del>	A
PANZER	Y	<del>N</del>	A

AYE 7 NO 9 ABS

To: Joint Committee on Finance

From: Bob Lang, Director  
Legislative Fiscal Bureau

## ISSUE

### **Assignment of Child Support Under W-2 (Workforce Development -- Economic Support and Child Care)**

[LFB Summary: Page 684, #4]

## CURRENT LAW

### **State Law**

Under the Wisconsin Works (W-2) provisions enacted in 1995 Wisconsin Act 289, participants in W-2 are not required to assign rights for child or spousal support to the state. All payments of support will be paid directly to the family.

The W-2 program will replace the current aid to families with dependent children (AFDC) program. The statutes require that the W-2 program must be implemented statewide by October 1, 1997; the Department expects to implement the new program statewide by September 1, 1997. The W-2 program will be funded, in part, with federal block grants under the temporary assistance to needy families (TANF) program.

### **Federal Law**

Under the 1996 federal welfare reform legislation, states must require applicants and participants in assistance programs funded with TANF block grants to assign to the state any rights to child support or spousal support, not to exceed the total amount of assistance provided. States may not require the assignment of support that accrues after the date the family leaves the program. Under the federal law, the state must first pay to the federal government the federal share of the support collected, and retain or distribute to the family, the state share of the amount collected. The federal and state shares are based on the federal financial participation rate for

the MA program in effect during the fiscal year in which the collections were made (approximately 60% federal and 40% state in Wisconsin).

If a state chooses to pass through the full amount of support to the family (as under the current W-2 provisions), the state must pay the federal share first. The amount paid to the family must come from the state's share of child support collections or other state revenue sources, after the federal share has been deducted. A detailed description of the federal provisions regarding the distribution of child support payments received by public assistance recipients is provided in the Appendix.

## **GOVERNOR**

Specify that, in order to be eligible for a W-2 employment position, a job access loan, the W-2 health plan or the W-2 child care subsidy, an individual must assign to the state any spousal or dependent child support rights for payments, including amounts that accrue during the time the individual receives a W-2 benefit. If the family includes children who are receiving W-2 benefits and children who are not receiving such assistance, the amount of support assigned to the state would be the proportionate share for the children receiving benefits, unless a court orders otherwise. No amount of support that begins to accrue after the individual is no longer participating in W-2 could be considered assigned to the state.

The bill would allow, but not require, the Department to pay to a W-2 applicant or participant any monies received by the Department under an assignment to the state. Only those support payments that are returned to the individual would be counted toward the income limitation when determining eligibility for W-2. The bill would also provide that amounts assigned to the state would remain assigned to the state until the amount of benefits paid that represents the amount due as support or maintenance has been recovered.

Finally, the bill would require the state, or the Department as the state's representative, to bring an action for support of a minor child or for paternity determination whenever the child's right to support is assigned to the state as a participant in the W-2 program. Currently, the state or the Department must bring an action for support or paternity determination whenever the child's right to support is assigned to the state under the foster care program, the kinship care program or the AFDC program.

## **DISCUSSION POINTS**

### **Assignment of Child Support to the State**

1. The current provisions for W-2 are not consistent with federal law, because participants will not be required to assign support to the state. The provision recommended by

the Governor would make state law consistent with federal law by requiring recipients of assistance under W-2 to assign support to the state.

2. The Governor's provision would allow, but not require, DWD to pass through the entire amount of child support to the family. The administration indicates that this provision is intended to provide flexibility in paying support to W-2 recipients. If sufficient funds are not available, the state could retain its share of child support rather than pass these monies through to the family.

3. Under Act 289, all child support would be paid directly to the family. Allowing DWD to retain some or all child support collected on behalf of W-2 participants would be a significant departure from current state law. Further, the child support pass-through has been viewed as an important element of the W-2 program and the receipt of child support can have a significant impact on a family's financial well-being. Therefore, the Committee could require, rather than permit, DWD to pay the full amount of child support to the family. This would ensure that state law is consistent with the Act 289 provision in terms of the amount of support received by W-2 participants.

4. In order to further clarify the distribution of support collected on behalf of W-2 participants, the Committee could also specify that the state must pay the federal share of support assigned to the state as required under federal law or waiver.

5. Act 289 was adopted prior to the 1996 federal welfare reform legislation. However, the fiscal estimates used in Act 289 included funding to pay the 60% federal share of child support received by W-2 participants and to allow these families to retain all current support payments. In addition, SB 77 includes \$35.3 million in 1997-98 and \$39.8 million in 1998-99 for these costs. This funding was increased \$37.9 million in 1997-98 and \$41.9 million in 1998-99 in Paper #971 to reflect a reestimate of child support collections on behalf of public assistance recipients.

6. The Governor's recommendation also provides that "Amounts assigned to the state under this paragraph remain assigned to the state until the amount of benefits paid that represents the amount due as support or maintenance has been recovered." It appears that this provision is included in order to conform with the federal requirement that the federal government must receive a share of certain arrearages paid to former recipients of assistance in order to recover federal revenues paid as benefits to the family. This provision could also be interpreted to mean that the state could retain a share of arrearages that are received by former W-2 participants. If the Committee elects to require, rather than permit, DWD to pay the full amount of child support to the family, this provision could be modified to specify that support would remain assigned to the state until all amounts due to the federal government have been paid. This would conform with federal law and clarify that the state could not retain child support arrearages received by W-2 participants after they leave the program. This would also be consistent with the Act 289 provisions.

7. The provisions described in the preceding sections address the general treatment of child support paid to W-2 participants. The following sections discuss a child support demonstration that will likely be implemented as part of the W-2 program under a waiver from the federal government.

### **Child Support Waiver Demonstration--Control Group**

8. On February 28, 1997, DWD received approval of a waiver from the federal government to conduct a child support demonstration project. In conducting the project, the state would be allowed to offset the federal share of child support payments for recipients of TANF assistance against the state's \$80 million balance of unclaimed waiver savings. Absent the waiver, the federal share of child support collections passed through to W-2 recipients would have to be paid to the federal government at a cost of approximately \$9.7 million in 1997-98 and \$14.4 million in 1998-99. Therefore, the waiver would result in savings of \$24.1 million from amounts included in the Governor's budget bill.

9. The waiver would require that 2,000 existing W-2 participants and 2,000 new applicants for the W-2 program be randomly assigned to a control group. The state would be required to provide to the federal government approximately 60% of support payments collected on behalf of these recipients. The Department has indicated that the recipient would receive the 40% state share of all support collected, or \$50, whichever is greater. Compared to the current provisions for W-2, families in the control group would retain less of their child support payments which would reduce their disposable income. The control group would be compared to an experimental group (cases in the experimental group would receive the full amount of child support collected on their behalf) for purposes of evaluating the demonstration project and calculating excess costs to the federal government.

10. At its meeting on May 7, 1997, the Committee considered the child support demonstration waiver as part of a larger request to modify the Department's TANF expenditure plan for 1996-97. Because of concerns that families in the control group would experience a loss of income compared to the current W-2 provisions, the Committee directed the Department to attempt to renegotiate the terms of the child support waiver to eliminate the control group.

11. On May 13, DWD sent a letter to the federal Department of Health and Human Services (HHS) requesting that HHS consider elimination of the control group or use of another method of evaluating the demonstration. On May 20, HHS sent a response to DWD which stated that the federal government will continue to require an experimental design with random assignment to treatment and control groups as a condition of conducting the demonstration.

12. No provision of the current statutes authorizes or requires demonstration projects or control groups under the W-2 program. Therefore, if the Committee chooses to require (rather than permit) DWD to pay all support to families participating in W-2, it appears that the statutes



would need to be modified to allow the Department to conduct the project with the control group. The Committee could create an exception to the general child support provisions to allow the Department to pay a lower amount of child support to families in the control group of the child support demonstration project, as required under the terms and conditions of the federal waiver.

13. If this provision is not adopted and the Committee chooses to require DWD to pay all child support to W-2 participants, it is possible that the federal government would conclude that the child support demonstration is in violation of state law, and not permit the state to implement the waiver. This would result in increased costs of approximately \$9.7 million in 1997-98 and \$14.4 million in 1998-99. As noted, the budget submitted by the Governor included funding to cover these expenses.

14. It appears that the specific exception for the control group would not be needed if the Committee chooses to adopt the Governor's proposal to allow, rather than require, DWD to pay child support to families participating in W-2.

## ALTERNATIVES TO BASE

### Assignment of Child Support to the State

1. ~~FAIL~~ Adopt the Governor's recommendation to require W-2 participants to assign to the state any spousal or dependent child support rights for payments, including amounts that accrue during the time the individual receives a W-2 benefit. Allow, but not require, the Department to pay to a W-2 applicant or participant any monies received by the Department under an assignment to the state.

2. Adopt the provisions recommended by the Governor with one or more of the following modifications:

a. Require, rather than permit, DWD to pay to a W-2 applicant or participant all monies received by the Department under an assignment to the state.

b. ~~FAIL~~ Specify that the Department must pay the federal share of support assigned to the state as required under federal law or waiver.

c. ~~FAIL~~ Instead of specifying that "amounts assigned to the state under this provision remain assigned to the state until the amount of benefits paid that represents the amount due as support or maintenance has been recovered", provide that amounts of support assigned to the state would remain assigned to the state until all amounts due to the federal government have been paid.

# Child Support Waiver Demonstration--Control Group

1. Create an exception to the general provisions regarding the distribution of child support to allow the Department to pay a lower amount of child support to families in the control group of the child support demonstration project, as required under the terms and conditions of the federal waiver.

2. Maintain current law.

Prepared by: Rob Reinhardt

Assignment of Child Support to the State

MO# AH#2a

JENSEN	X	N	A
OURADA	X	N	A
HARSDORF	X	N	A
ALBERS	X	N	A
2 GARD	X	N	A
KAUFERT	X	N	A
LINTON	X	N	A
COGGS	X	N	A

1 BURKE	X	N	A
DECKER	X	N	A
GEORGE	X	N	A
JAUCH	X	N	A
WINEKE	X	N	A
SHIBILSKI	X	N	A
COWLES	X	N	A
PANZER	X	N	A

AYE 16 NO 0 ABS     

MO# AH#2abdc

JENSEN	Y	N	A
OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
LINTON	X	N	A
COGGS	X	N	A

1 BURKE	X	N	A
2 DECKER	X	N	A
GEORGE	X	N	A
JAUCH	X	N	A
WINEKE	X	N	A
SHIBILSKI	X	N	A
COWLES	Y	N	A
PANZER	Y	N	A

AYE 8 NO 8 ABS     

MO# AH#1

1 JENSEN	X	N	A
2 OURADA	X	N	A
HARSDORF	X	N	A
ALBERS	X	N	A
GARD	X	N	A
KAUFERT	X	N	A
LINTON	Y	N	A
COGGS	Y	N	A

BURKE	Y	N	A
DECKER	Y	N	A
GEORGE	Y	N	A
JAUCH	Y	N	A
WINEKE	Y	N	A
SHIBILSKI	Y	N	A
COWLES	X	N	A
PANZER	X	N	A

AYE 8 NO 8 ABS     

Child Support Waiver

MO# <u>AH#1</u>	A A A A A A A A	A A A A A A A A
	N N N N N N N N	N N N N N N N N
	X X X X X X X X	X X X X X X X X
JENSEN		
OURADA		
HARSDORF		
ALBERS		
GARD		
KAUFERT		
LINTON		
COGGS		
BURKE		
DECKER		
GEORGE		
JAUCH		
WINEKE		
SHIBILSKI		
COWLES		
PANZER		
AYE <u>13</u>	NO <u>3</u>	ABS <u>    </u>

## **APPENDIX**

### **Federal Provisions Regarding the Distribution of Child Support**

The following sections outline federal provisions regarding the distribution of child support collected on behalf of recipients of public assistance under the previous AFDC program and under the TANF program enacted in the 1996 federal welfare reform legislation (P.L. 104-193).

#### **PRIOR DISTRIBUTION PROVISIONS FOR AFDC RECIPIENTS**

Under prior federal law, in order to receive AFDC a custodial parent was required to assign to the state any right to collect child support payments. The assignment covered current support and any arrearages that accumulated before the family began receiving assistance, and lasted as long as the family received AFDC.

Federal law required that child support collections on behalf of AFDC recipients be distributed as follows:

1. The first \$50 per month in current support was paid to the family and disregarded in determining eligibility for AFDC and monthly benefits.
2. The federal and state governments were then reimbursed for the AFDC benefit paid to the family in that month.
3. Any additional funds were paid to the family, up to the amount of the current support obligation.
4. If there were still funds available, the state and federal governments first retained an amount to cover any arrearages owed under the AFDC assignment provision. If no arrearages were owed to the state, the remainder was paid to the family and was considered income under the AFDC program.

#### **CURRENT PROVISIONS**

As a condition of eligibility for TANF assistance, states must require family members to assign to the state any rights the family member may have to child support or spousal support, not to exceed the total amount of assistance provided. States may not require the assignment of support that accrues after the date the family leaves the program. The following sections outline provisions governing distributions of child support collected by a state pursuant to a child support enforcement plan.

## **Families Receiving State Assistance**

In the case of families receiving assistance from the state, the state must: (a) first pay to the federal government the federal share of the support collected; and (b) retain, or distribute to the family, the state share of the amount collected. These provisions apply to families receiving AFDC or TANF benefits or foster care maintenance payments. The federal and state shares are based on the federal financial participation rate for the MA program in effect during the fiscal year in which the collections were made (approximately 60% federal and 40% state in Wisconsin).

There is no longer a requirement for states to pass through the first \$50 of support to the family. States may continue the \$50 payment, provide a higher or lower amount or pass through the entire amount of support to the family. However, these payments must be made from the state's share of child support collections or other state revenue sources, after the federal share has been deducted and paid. Alternatively, states may retain the entire state share of child support.

## **Families that Formerly Received Assistance**

For families that formerly received assistance from the state, the state must distribute current support payments to the family. The distribution of arrearages (any amount in excess of the current obligation) depends on whether the arrearage was accrued while (or before or after) the family was receiving assistance.

**Arrearages Accrued After the Family Ceased to Receive Assistance.** Effective October 1, 1997 (or earlier at state option), the state must distribute any collections of arrearages that accrued after the family ceased to receive assistance as follows: (a) the state and federal governments retain any amount collected through the federal tax intercept program, up to the amount necessary to reimburse the state for amounts previously paid as assistance; (b) other funds are paid to the family to offset any arrearages accrued after the family ceased to receive assistance; (c) any remaining funds are split between the state and federal governments to the extent necessary to reimburse any amounts paid to the family as assistance by the state; (d) any funds still remaining are paid to the family.

**Arrearages Accrued Before the Family Began to Receive Assistance.** The provisions described above for arrearages accrued after a family ceased receiving assistance apply, effective October 1, 2000 (or earlier at state option). However, the distribution to the family under (b) is made to offset any arrearages accrued before the family began to receive assistance.

**Arrearages Accrued While the Family Received Assistance.** For arrearages that accrued while a family was receiving assistance, the state must: (a) first pay to the federal government the federal share of the support collected; and (b) retain, or distribute to the family, the state share of the amount collected.

## **Ordering Rules for Distribution**

For purposes of these provisions, states must treat any support arrearages collected (other than through the tax intercept program) as accruing in the following order: (a) first, to the period after the family ceased to receive assistance; (b) second, to the period before the family received assistance; and (c) third, to the period while the family was receiving assistance.

## **Study and Report**

By October 1, 1998, the Secretary of the federal Department of Health and Human Services (HHS) must report to Congress the Secretary's findings with respect to: (a) whether the distribution of post-assistance arrearages to families has been effective in moving people off welfare and keeping people off welfare; (b) whether early implementation of a pre-assistance arrearage program by some states has been effective in moving people off welfare and keeping people off welfare; (c) what the overall impact has been of the new child support enforcement provisions in moving people off welfare and keeping people off welfare; and (d) what changes, if any, should be made in the policies related to the distribution of child support arrearages.

## **Continuation of Assignments Under the AFDC Program**

Any rights to support which were assigned to the state as a condition of receiving AFDC and which were in effect on the day before the date of enactment remain assigned after that date.

## **Hold Harmless Provision**

If the amount collected by a state which could be retained by the state in a fiscal year (to the extent necessary to reimburse the state for public assistance payments) are less than the state share of amounts collected in FFY 1995, the state may retain the higher amount.

## **Other Provisions**

As under current law, child support collected on behalf of families who have never received assistance must be distributed to the family. Special provisions apply in the case of families receiving assistance from an Indian tribe and for states that have a "fill the gap" policy for their AFDC programs.

To: Joint Committee on Finance

From: Bob Lang, Director  
Legislative Fiscal Bureau

## ISSUE

### **New Hope Project (Workforce Development -- Economic Support and Child Care)**

[LFB Summary: Page 699, #24]

## CURRENT LAW

1995 Wisconsin Act 27 provided \$250,000 GPR in 1995-96 and 1996-97 for the New Hope project, which assists low-income individuals in the City of Milwaukee to obtain employment and secure support services. Under current law, the Department of Workforce Development (DWD) may allocate funds to the New Hope project only if the project obtains an equal amount of funding from other public or private sources, and complies with certain statutory requirements. These statutory provisions for New Hope will be sunset on June 30, 1997, and no funds may be encumbered from the Department's appropriation for New Hope after that date.

## GOVERNOR

Provide \$750,000 annually in federal temporary assistance to needy families (TANF) funds for the New Hope project.

## DISCUSSION POINTS

1. The New Hope project assists low-income individuals in the City of Milwaukee to obtain employment and secure support services. Under current state law, a person is eligible to participate in the New Hope project if they are at least 18 years old and have a family income below 200% of the poverty line. The project assists those who are not employed to obtain an unsubsidized job or a subsidized community service job. The project provides assistance in

obtaining the state and federal earned income tax credits, and may provide direct wage supplements to increase a participant's earnings above the poverty line. The project also assists participants in obtaining health care, child care, counseling and training for job retention or advancement. The project must contract for an evaluation of the project to show whether and to what extent it has succeeded in reducing welfare dependency, unemployment and poverty. As noted, under present law, these provisions will sunset on June 30, 1997.

2. The Governor's recommendation would not restore the statutory provisions regarding New Hope. Therefore, the requirement that New Hope obtain funds from other public or private sources would no longer be in the statutes, nor would the requirement for New Hope to comply with any other program requirements outlined above. If the Committee elects to continue funding for New Hope through the 1997-99 biennium, the sunset date for these provisions could be extended to June 30, 1999. It should be noted, however, that the administration indicates that it will establish a contract with New Hope prior to disbursing any funding to the project.

3. On February 28, 1997, DWD received approval of a waiver from the federal government to conduct a child support demonstration project. Under the waiver, the state would generally not be required to pay the federal share of child support collected on behalf of families participating in the Wisconsin Works (W-2) program. Instead, the amount due to the federal government would be offset against \$80 million of waiver savings owed to the state. This would result in estimated savings to the state of \$9.7 million in 1997-98 and \$14.4 million in 1998-99. As part of the waiver terms and conditions, the state would be required to provide \$2.9 million to the New Hope project through December, 1998.

4. At its meeting on May 7, 1997, the Committee considered the child support demonstration waiver as part of a larger request to modify the Department's TANF expenditure plan for 1996-97. Because of concerns that families in the control group of the demonstration would experience a loss of income compared to the current W-2 provisions, the Committee directed the Department to attempt to renegotiate the terms of the child support waiver to eliminate the control group. However, the Committee approved \$650,000 for New Hope in 1996-97 as the first payment required under the federal waiver.

5. On May 13, DWD sent a letter to the federal Department of Health and Human Services (HHS) requesting that HHS consider elimination of the control group or use of another method of evaluating the demonstration. On May 20, HHS sent a response to DWD which stated that the federal government will continue to require an experimental design with random assignment to treatment and control groups as a condition of conducting the demonstration.

6. With the \$650,000 approved by the Committee in 1996-97, the state would need to provide \$2,250,000 (\$2,900,000 minus \$650,000) to New Hope in the 1997-99 biennium in order to be in compliance with the terms of the waiver. By year, the state would pay \$1,560,000 in 1997-98 and \$690,000 in 1998-99. These amounts, differ from the funding recommended by the Governor by \$810,000 in the first year and -\$60,000 in 1998-99.

7. State appropriations for New Hope have totalled \$1.8 million since 1991-92. According to estimates from New Hope, from 1996-97 through 1998-99, other sources of funding for the project include \$4.7 million in private contributions, \$600,000 in federal revenues, and \$50,000 in funds from a community development block grant.

## ALTERNATIVES TO BASE

### Funding for New Hope Project

1. Approve the Governor's recommendation to provide \$750,000 each year to the New Hope project. If this amount of funding is adopted, the state would not be in compliance with the terms and conditions of the federal waiver for the child support demonstration project. Therefore, it is possible that the waiver would be discontinued, which would increase expenditures by an estimated \$9.7 million in 1997-98 and \$14.4 million in 1998-99.

<u>Alternative 1</u>	<u>ALL FUNDS</u>
1997-99 FUNDING (Change to Base)	\$1,500,000
[Change to Bill	\$0]

2. Provide \$1,560,000 in 1997-98 and \$690,000 in 1998-99 to the New Hope project, as specified under the terms and conditions of the federal child support waiver. Compared to the bill, this option would increase funds for New Hope by \$750,000.

<u>Alternative 2</u>	<u>ALL FUNDS</u>
1997-99 FUNDING (Change to Base)	\$2,250,000
[Change to Bill	\$750,000]

3. Maintain current law, which eliminates funding for New Hope. If this option is adopted, the state would not be in compliance with the terms and conditions of the federal waiver for the child support demonstration project. Therefore, it is possible that the waiver would be discontinued, which would increase expenditures by an estimated \$9.7 million in 1997-98 and \$14.4 million in 1998-99.

<u>Alternative 3</u>	<u>ALL FUNDS</u>
1997-99 FUNDING (Change to Base)	\$0
[Change to Bill	- \$1,500,000]



### **Statutory Provisions Relating to New Hope**









1. Modify current law to provide that the statutory provisions regarding the New Hope project would sunset on June 30, 1999, rather than June 30, 1997.
2. Maintain current law.

2. Maintain current law.

Prepared by: Rob Reinhardt *Funding For New Hope*

MO# AH#2

JENSEN	X	N	A
OURADA	X	N	A
HARSDORF	X	N	A
ALBERS	X	N	A
GARD	X	N	A
KAUFERT	X	N	A
LINTON	X	N	A
COGGS	X	N	A

BURKE		N	A
DECKER		N	A
GEORGE		N	A
JAUCH		N	A
WINEKE		N	A
SHIBILSKI		N	A
COWLES		N	A
PANZER		N	A

AYE 16 NO 0 ABS     

## Statutory Provisions Relating to New Hope

[illegible]

To: Joint Committee on Finance

From: Bob Lang, Director  
Legislative Fiscal Bureau

## ISSUE

### **Work Requirement for Two-Parent Families Under W-2 (Workforce Development -- Economic Support and Child Care)**

[LFB Summary: Page 685, #5]

## CURRENT LAW

### **State Law**

Under the Wisconsin Works (W-2) program, cash assistance is generally available only if an adult in the family participates in a subsidized W-2 employment position. State law provides that only one person in a family may participate in subsidized employment at a time. There is no requirement for spouses in two-parent families to be making progress in work activities.

Also, current state law provides that a custodial parent of a child who is 12 weeks old or less and who meets the eligibility requirements for the W-2 program may receive a monthly grant of \$555. A W-2 agency may not require such individuals to engage in work activities or participate in education and training activities.

### **Federal Law**

Under the 1996 federal welfare reform legislation (P.L. 104-193), the state must meet work participation requirements for all families and for two-parent families receiving assistance funded with the federal temporary assistance to needy families (TANF) block grant. Federal law requires at least 75% of two-parent families receiving assistance to be participating in work activities in federal fiscal years (FFY) 1997 and 1998. The participation requirement increases to 90% in FFY 1999. If a state does not meet these requirements, the TANF block grant may

be reduced by 5% in the first year of non-compliance (\$15.9 million in Wisconsin). For each consecutive year thereafter that the state is not in compliance with the work requirements, the state's TANF block grant may be reduced by an additional 2%, up to a maximum 21% reduction.

Under federal law, individuals in two-parent families are considered to be engaged in work if one individual is making progress in specified work activities for at least 35 hours per week. At least 30 hours per week must be attributable to the following activities: (a) unsubsidized or subsidized private or public sector employment; (b) work experience; (c) on-the-job training; (d) job search and job readiness; (e) community service programs; (f) vocational educational training; or (g) the provision of child care services to an individual who is participating in a community service program. Federal law limits participation in job search and job readiness and vocational rehabilitation.

In addition, the individual's spouse must be making progress in work activities, if all of the following conditions apply: (a) the family is receiving federally-funded child care assistance; (b) an adult in the family is not disabled; and (c) an adult in the family is not caring for a severely disabled child. If these conditions apply, the spouse must spend at least 20 hours per week in: (a) unsubsidized or subsidized private or public sector employment; (b) work experience if sufficient private sector employment is not available; (c) on-the-job training; or (d) community service programs. Participation in job search, job readiness and vocational education does not count toward the work requirement for the spouse.

If an individual in a family receiving assistance refuses to engage in the required work activities, the state must reduce the amount of assistance otherwise payable to the family pro rata or more, at state option, or terminate assistance subject to good cause and other exceptions.

## **GOVERNOR**

### **Two-Parent Family Work Requirement**

Provide that if one parent in a two-parent family is participating in a W-2 employment position, the second parent would be required to participate in unsubsidized or subsidized employment, work experience, on-the-job training or a community service program for at least 20 hours per week. The second parent would not be subject to this work requirement if: (a) the family is not receiving federally funded child care assistance; (b) the second parent is disabled; or (c) the second parent is caring for a severely disabled child. The Department would define the types of work activities that would qualify under this provision and whether the parent is disabled or caring for a severely disabled child.

Under the Governor's recommendation, only one W-2 grant or wage subsidy would be provided to a two-parent family. In addition, the W-2 agency would be allowed to reduce the monthly grant of a participant in a W-2 community service job or transitional placement by \$5.15

for every hour that the second parent who is subject to the work requirement fails to meet the requirement without good cause. Good cause would be determined by the financial and employment planner under rules promulgated by the Department, and would have to include required court appearances for victims of domestic abuse.

In addition, the bill would specify that a W-2 participant would be ineligible to participate in a W-2 employment position if the second parent is subject to the work requirement and refuses three times to participate. The second parent would be considered to have demonstrated a refusal to participate if he or she: (a) expresses verbally or in writing to a W-2 agency a refusal to participate; (b) fails without good cause to appear for an interview with a prospective employer; (c) voluntarily leaves employment or training without good cause; (d) loses employment as a result of being discharged for cause; or (e) demonstrates through other behavior or action, a refusal to participate in a W-2 employment position.

### **Custodial Parent of Infants**

The Governor's proposal would increase the monthly cash grant for custodial parents of infants from \$555 to \$673. (The issue of cash grants is discussed in a separate paper). The Governor's recommendation also would specify that a custodial parent of a child who is 12 weeks old or less may not receive this grant if another adult member of the custodial parent's W-2 group is participating, or is eligible to participate, in a W-2 employment position or is employed in unsubsidized employment.

## **DISCUSSION POINTS**

### **Two-Parent Family Work Requirement**

1. Under current state law, a family is eligible for child care only if the child care is needed for an individual to work in an unsubsidized job or in a W-2 employment position. Therefore, if a two-parent family is receiving child care assistance, and the second parent is not disabled or caring for a severely disabled child, both parents must be working. The Governor's provision would only apply to two-parent families who receive child care assistance. The budget provision would not affect two-parent families as long as both parents are participating in work activities for at least 20 hours per week.

2. However, state law does not have a minimum work requirement in order for the family to receive child care assistance. Therefore, the Governor's recommendation that the second parent work a minimum of 20 hours per week could impose an added restriction on a family. If the second parent in a two-parent family was working in a part-time job for less than 20 hours per week, under current state law, the family could receive subsidized child care for the time during which the second parent is working. Under the Governor's recommendation, and according to federal law, the second parent would have to find additional hours of unsubsidized

employment, give up the part-time job, participate in uncompensated work activities or find alternative child care arrangements.

3. It appears that the Governor's proposal would affect a relatively small number of families. According to the child care model developed by DWD, it is estimated that about 30% of two-parent families in the W-2 program will receive subsidized child care. The remaining cases have a relative caring for their child or have other child care arrangements. The two-parent caseload for W-2 is estimated to be approximately 1,100 on September 1, 1997. Therefore, 330 two-parent families (30% of 1,100) are estimated to receive subsidized child care. However, not all of these families would be affected by the Governor's proposal. As noted, the budget provision would impact a family only if the second parent worked less than 20 hours per week. In some two-parent families, the second parent would likely be working more than 20 hours per week.

4. Although the second parent could be required to engage in work activities under the Governor's recommendation, he or she would not be compensated for these activities. Under the W-2 program, the cash benefits from subsidized employment positions are intended to provide financial support for the entire family. Therefore, it can be argued that additional cash assistance should not be provided if the second parent is required to engage in additional work activities under this provision.

5. The federal provision specifically prohibits vocational education, job search and job readiness from counting toward the work requirement for the second parent. Therefore, because the second parent would be participating in work activities as opposed to job-readiness activities, it could be argued that she or he should be compensated for work performed. Federal law does not prohibit the state from providing compensation for work activities performed by the second parent.

6. The Committee could consider modifying the Governor's recommendation to provide cash assistance to a second parent who is required to participate in uncompensated work activities under this provision. The cash benefit could be based on the community service job (CSJ) grant amount, prorated to reflect the number of hours worked by the second parent. Based on the \$555 monthly grant for community service jobs under current law, this option would cost approximately \$1 million in each year. Assuming the cash grant for CSJs of \$673 proposed by the Governor, this option would cost \$1.2 million in each year.

7. As discussed in the paper on subsidized employment, it is estimated that W-2 agencies would have excess funding for subsidized employment if the current \$555 CSJ grant amount is retained. Therefore, the counties could absorb the cost of providing cash assistance to a second parent under this option. If the higher CSJ grant recommended by the Governor is approved, the Committee could either increase funding for the W-2 agencies, or require the agencies to absorb this cost with existing funds.

## **Custodial Parents of Infants**

8. Under the Governor's recommendation, a custodial parent of a child under 12 weeks of age could not be eligible for a grant if another adult member in the W-2 group is participating, or is eligible to participate, in a W-2 employment position or is employed in unsubsidized employment. This would be similar to the current requirement that only one parent in a two-parent family may participate in a W-2 employment position at a time, and would prevent households from receiving two grants.

9. However, the Governor's proposal would also disallow a custodial parent of an infant from receiving a W-2 grant if another individual in the household is employed in an unsubsidized job. There is no similar provision under current law for participation in W-2 employment positions by two-parent families. Further, it can be argued that the Governor's proposal would be unfair to families in which one of the parents is employed. These families would not receive cash assistance during the first 12 weeks after the child is born, while families in which neither parent is employed would be eligible for the \$555 monthly grant. Therefore the Governor's recommendation could be modified to delete the provision that would deny the grant to a custodial parent of an infant if another individual in the household is employed in an unsubsidized job.

10. The counter argument is that the intent of the grant for the custodial parent of an infant is to provide assistance to an individual who has no other resources to rely on. Therefore, families that have one adult member working should not be eligible for this grant.

## **ALTERNATIVES TO BASE**

### **Two-Parent Family Work Requirement**

1. <sup>FAIL</sup> Approve the Governor's recommendation to require that if one parent in a two-parent family is participating in a W-2 employment position the second parent must participate in specified work activities if the family is receiving federally funded child care and an adult in the family is not disabled or caring for a severely disabled child. The second parent would not be allowed to receive a grant, but would be sanctioned for refusal to participate.

2. Modify the Governor's proposal to provide cash assistance to a second parent who is required to participate in uncompensated work activities based on the CSJ grant amount, prorated to reflect the number of hours worked by the second parent. Two options are presented below regarding additional W-2 agency funding to cover the costs of this alternative.

a. <sup>FAIL</sup> Provide no additional funding for this alternative. Under this option, the grants would be provided from existing funding allocated to W-2 agencies.

b. If the Committee has chosen to increase the cash grants for CSJs to \$673 per month, provide \$1.2 million in each year to W-2 agencies to cover the costs of this alternative.

<u>Alternative 2b</u>	<u>ALL FUNDS</u>
1997-99 FUNDING (Change to Base)	\$2,400,000
[Change to Bill]	\$2,400,000]

### Custodial Parent of Infant

1. Approve the Governor's recommendation to specify that a custodial parent of a child who is 12 weeks old or less may not receive a grant if another adult member of the custodial parent's W-2 group is participating, or is eligible to participate, in a W-2 employment position or is employed in unsubsidized employment.

2. *Fail* Modify the Governor's recommendation to delete the prohibition against receiving the grant if another adult member of the custodial parent's W-2 group is employed in an unsubsidized job.

3. Maintain current law.

*Two Parent Family Work Requirement*

Prepared by: Joanne Simpson

MO# AH#1

MO# AH#20

JENSEN	Y	<del>N</del>	A
OURADA	Y	<del>N</del>	A
HARSDORF	Y	<del>N</del>	A
ALBERS	Y	<del>N</del>	A
GARD	Y	<del>N</del>	A
KAUFERT	Y	<del>N</del>	A
LINTON	<del>Y</del>	N	A
COGGS	<del>Y</del>	N	A

2 BURKE	<del>Y</del>	N	A
1 DECKER	<del>Y</del>	N	A
GEORGE	<del>Y</del>	N	A
JAUCH	<del>Y</del>	N	A
WINEKE	<del>Y</del>	N	A
SHIBILSKI	<del>Y</del>	N	A
COWLES	<del>Y</del>	N	A
PANZER	Y	<del>N</del>	A

AYE 8 NO 9 ABS     

JENSEN	<del>Y</del>	N	A
OURADA	<del>Y</del>	N	A
HARSDORF	<del>Y</del>	N	A
ALBERS	<del>Y</del>	N	A
GARD	<del>Y</del>	N	A
KAUFERT	<del>Y</del>	N	A
LINTON	Y	<del>N</del>	A
COGGS	Y	<del>N</del>	A

BURKE	Y	<del>N</del>	A
DECKER	Y	<del>N</del>	A
GEORGE	Y	<del>N</del>	A
JAUCH	Y	<del>N</del>	A
WINEKE	Y	<del>N</del>	A
SHIBILSKI	Y	<del>N</del>	A
COWLES	<del>Y</del>	N	A
PANZER	<del>Y</del>	N	A

AYE 8 NO 8 ABS

PAPER #981

# Custodial Parent of Infant

MO# AH#2

JENSEN	Y	<del>N</del>	A
OURADA	Y	<del>N</del>	A
HARSDORF	Y	<del>N</del>	A
ALBERS	Y	<del>N</del>	A
GARD	Y	<del>N</del>	A
KAUFERT	Y	<del>N</del>	A
LINTON	<del>Y</del>	N	A
COGGS	<del>Y</del>	N	A

BURKE	<del>Y</del>	N	A
DECKER	<del>Y</del>	N	A
GEORGE	<del>Y</del>	N	A
JAUCH	<del>Y</del>	N	A
WINEKE	<del>Y</del>	N	A
SHIBILSKI	Y	<del>N</del>	A
COWLES	Y	<del>N</del>	A
PANZER	Y	<del>N</del>	A

AYE 7 NO 9 ABS     

MO# AH#1

JENSEN	<del>Y</del>	N	A
OURADA	<del>Y</del>	N	A
HARSDORF	<del>Y</del>	N	A
ALBERS	<del>Y</del>	N	A
GARD	<del>Y</del>	N	A
KAUFERT	<del>Y</del>	N	A
LINTON	Y	<del>N</del>	A
COGGS	Y	<del>N</del>	A

BURKE	Y	<del>N</del>	A
DECKER	Y	<del>N</del>	A
GEORGE	Y	<del>N</del>	A
JAUCH	Y	<del>N</del>	A
WINEKE	Y	<del>N</del>	A
SHIBILSKI	<del>Y</del>	N	A
COWLES	<del>Y</del>	N	A
PANZER	<del>Y</del>	N	A

AYE 9 NO 7 ABS



To: Joint Committee on Finance  
From: Bob Lang, Director  
Legislative Fiscal Bureau

## ISSUE

**18- and 19-Year-Old Parents Under W-2 (Workforce Development -- Economic Support and Child Care)**

## CURRENT LAW

Participants in W-2 community service jobs (CSJs) may be required to work up to 30 hours per week in the CSJ and to participate in certain educational and training activities for up to 10 hours per week, for a total of 40 hours per week. In order to be eligible for a CSJ or other W-2 employment position, an individual must be a custodial parent over the age of 18.

## GOVERNOR

No provision.

## DISCUSSION POINTS

1. In a letter to the Co-Chairs of the Committee dated April 24, 1997, the administration indicated that it intended to include a provision in the budget bill that would allow W-2 financial and employment planners to assign 18- and 19-year-old parents to attend high school or participate in a program for obtaining a high school equivalency declaration as part of the required work activities for a CSJ. This provision was not included in the bill.

2. Under current law, teen parents could attend high school for up to 10 hours per week, but would still have to be assigned up to 30 hours of work activities each week in order to receive a CSJ grant. The proposal to allow full-time high school attendance would improve the future employment prospects of these participants.

3. A separate provision of the bill would provide child care for teen parents in order to attend high school.

### ALTERNATIVES TO BASE

1. Permit 18- and 19-year-old parents to attend high school or participate in a program for obtaining a high school equivalency declaration as part of the required work activities for a CSJ.

2. Maintain current law.

Prepared by: Rob Reinhardt

MO# AH#1

JENSEN	X	N	A
OURADA	X	N	A
HARSDORF	X	N	A
ALBERS	X	N	A
GARD	X	N	A
KAUFERT	X	N	A
LINTON	X	N	A
COGGS	X	N	A

BURKE	X	N	A
DECKER	X	N	A
GEORGE	X	N	A
JAUCH	X	N	A
WINEKE	X	N	A
SHIBILSKI	X	N	A
COWLES	X	N	A
PANZER	X	N	A

AYE 16 NO 0 ABS

WORKFORCE DEVELOPMENT -- ECONOMIC SUPPORT AND CHILD CARE

## GED for W-2 Participants

**Motion:**

Move to provide that, to the extent permitted by federal law, a participant in a community service job (CSJ) or transitional placement under the Wisconsin Works (W-2) program may be allowed to participate in courses of study for obtaining a GED/high school equivalency diploma for up to 20 hours per week, provided the individual is participating in work activities for a minimum of 20 hours per week and is making satisfactory progress in the course of study. The course of study would be assigned as part of an employability plan developed by the W-2 agency. The maximum participation in combined work and education would be 40 hours per week.

**Note:**

Under current law, a W-2 agency may require participants in CSJs to participate in work activities for up to 30 hours per week and in educational and training activities for up to 10 hours per week. Participants in transitional placements may be required to participate in work activities for up to 28 hours per week and educational and training activities for up to 12 hours per week. Under this motion, a CSJ or transitional placement participant who is working at least 20 hours per week may be allowed to participate in a course of study leading to a GED/high school equivalency diploma for up to 20 hours per week.

Allowing a participant to complete a GED may result in the recipient moving into an unsubsidized employment position more quickly. Additional education may also prevent individuals from returning to the W-2 program. These impacts would result in cost savings. However, if some individuals remain in an employment position longer than they otherwise would in order to complete their education, added costs would result.

**Motion #5020**

[illegible]